

FINANCE REPORT

2020 Annual Meeting

Sebasticook NAVHDA

Rick Holt, Treasurer

Summary

As per our bylaws I am presenting the 2019 financial statements. There are several highlights I would like to mention.

2019 Actual vs. Budget - Profit and Loss Statement:

Our gross profit for 2019 was about \$100,000 over budget. This is primarily due to the growth in membership which was \$41,000 over budget, and secondarily to sponsorship and donation income which was approximately \$10,000 over budget. The registry accounted for about \$15,000 additional income in 2019. Our total expenses were about \$30,000 below 2019 budget.

2019 vs. 2018 Profit and Loss:

Again, due to increases in membership and registry income our annual income increased significantly from 2018. Membership increased approximately \$41,000. The Registry income was about \$45,000 greater in 2019. This is due not only to a greater number of litters being registered but also to the increase in DNA testing. We also had a \$15,000 increase in Invitational test fee income; 2019 had the largest number of dogs ever tested at our national event. Our gross profit was approximately \$100,000 greater in 2019 vs. 2018 and our Net Operating Revenue was \$131,000, about \$11,000 greater than 2018.

There were a number of areas of note where expenses increased from 2018. Magazine expense increased about \$14,000, due primarily to the increase in membership and hence an increase in the number of magazines printed each month, as well as a notable increase in shipping and postage fees. Registry expense increased by about \$20,000. Website and software development increased about \$10,000. We also entered into our first year of our 3-year agreement with Pheasants Forever which accounts for a \$15,000 increase in expense over 2018. Total expenses increased about \$90,000 over 2018.

Balance Sheet 2019

We are in excellent financial health. We have about \$330,000 in cash and CD's and \$250,000 in our operating reserve which maintains operating income for emergency situations. The Life Membership Fund has nearly \$484,000 in investments and is now a board restricted fund. This restriction limits spending and provides a stronger financial position into the future. It also enables us to implement a sound investment policy. Our total assets increased \$193,000 from the previous year. I should mention that this year we moved the life membership fund from Morgan Stanley to Vanguard to more easily implement our financial policy. Trygve Kleppinger, a life member and Judge, was our account manager at Morgan Stanley and I would like to thank him for his years of service to NAVHDA and for keeping a watchful eye on our accounts.

Budget vs. Actuals

January - December 2019

	Actual	Budget	over Budget
Revenue			
5100 MEMBERSHIP	458,695.00	417,078.10	41,616.90
5250 SPONSORSHIP	61,416.07	51,980.03	9,436.04
5300 TESTING	23,160.00	20,876.00	2,284.00
5325 Handler Clinic Fees	5,850.00	4,500.00	1,350.00
5350 Entry Fee	61,625.00	45,900.00	15,725.00
5375 Event Income	5,160.12		5,160.12
5400 EDUCATIONAL MATERIALS INCOME	21,010.81	34,357.90	(13,347.09)
5500 MAGAZINE INCOME	17,514.00	16,239.00	1,275.00
5515 Classified Ad For VHD	280.00	125.00	155.00
5520 Classified ad for Web	155.00	55.00	100.00
5700 REGISTRY	177,377.00	131,820.00	45,557.00
6125 NSF Income	0.00	32.32	(32.32)
6135 Chapter Insurance Income	0.00	44,591.31	(44,591.31)
6350 Library Income	444.45	76.50	367.95
6500 Shipping and Handling	8,144.54	8,057.37	87.17
Sales	2.50		2.50
	\$	\$	
Total Revenue	840,834.49	775,688.53	65,145.96
Cost of Goods Sold			
7400 EDUCATIONAL MATERIAL EXPENSE	10,183.14	11,842.32	(1,659.18)
	\$	\$	
Total Cost of Goods Sold	10,183.14	11,842.32	(1,659.18)
	\$	\$	
Gross Profit	830,651.35	763,846.21	66,805.14
Expenditures			
7100 LIFE MEMBERSHIP EXPENSE	154.00	16,650.88	(16,496.88)
7300 ACTIVITY EXPENSE	21,482.45	18,995.50	2,486.95
7375 EVENT EXPENSES	77,416.83	80,902.26	(3,485.43)
7500 MAGAZINE EXPENSE	150,988.99	138,461.02	12,527.97
7700 REGISTRY EXPENSE	32,656.88	13,587.34	19,069.54
7726 Miscellaneous Expense	1,206.23	2,343.25	(1,137.02)
7800 Custom Software Development	14,511.25	13,530.00	981.25
7850 Website Development	12,714.40	4,000.00	8,714.40
8100 FINANCIAL	20,155.19	16,639.16	3,516.03
8200 COMMUNICATIONS	19,518.60	24,928.43	(5,409.83)
8300 Depreciation		214.00	(214.00)
8310 Dues and Subscriptions	158.71	409.00	(250.29)
8330 General Support	7,120.19	17,931.54	(10,811.35)
8335 Consulting	15,000.00	13,900.00	1,100.00
8340 INSURANCE	11,468.00	45,686.00	(34,218.00)
8350 Library	306.00	36.00	270.00
8355 License and Fees	516.90	975.00	(458.10)
8360 Supplies	18,614.87	21,432.37	(2,817.50)

	<u>Actual</u>	<u>Budget</u>	<u>over Budget</u>
8400 Payroll	191,346.49	201,329.40	(9,982.91)
8410 Payroll Taxes	14,408.76	13,909.90	498.86
8500 Postage and Freight	33,810.08	30,224.86	3,585.22
8510 Printing - General	15,157.26	22,368.06	(7,210.80)
8550 RENTS	25,740.76	25,981.56	(240.80)
8600 Repairs and Maintenance	383.80	240.00	143.80
8610 Office Equipment	3,626.95	1,700.00	1,926.95
8620 Standard Software	120.00	219.00	(99.00)
8630 Tax and Accounting	10,586.96	6,378.81	4,208.15
	<u>\$</u>	<u>\$</u>	
Total Expenditures	699,170.55	732,973.34	(33,802.79)
	<u>\$</u>	<u>\$</u>	
Net Operating Revenue	131,480.80	30,872.87	100,607.93
Other Revenue			
9100 Non-Restricted Interest	476.61	416.15	60.46
9105 Restricted Interest	4,775.21	6,647.40	(1,872.19)
9107 Restricted Cap Gains (Losses)	39,325.59	4,893.86	34,431.73
9110 Restricted FMV Adjustment	-21,126.94	-15,357.38	(5,769.56)
9130 Youth Dev Accrued Int/Div	5,644.74	5,512.59	132.15
	<u>\$</u>	<u>\$</u>	
Total Other Revenue	29,095.21	2,112.62	26,982.59
	<u>\$</u>	<u>\$</u>	
Net Other Revenue	29,095.21	2,112.62	26,982.59
	<u>\$</u>	<u>\$</u>	
Net Revenue	160,576.01	32,985.49	127,590.52

Statement of Activity YTD Comparison

January - December 2019

	Jan - Dec 2019	Jan - Dec 2018	Difference
Revenue			
5100 MEMBERSHIP	458,695.00	417,018.10	41,676.90
5250 SPONSORSHIP	61,416.07	61,106.26	309.81
5300 TESTING	23,160.00	20,876.00	2,284.00
5325 Handler Clinic Fees	5,850.00	4,500.00	1,350.00
5350 Entry Fee	61,625.00	45,900.00	15,725.00
5375 Event Income	5,160.12		5,160.12
5400 EDUCATIONAL MATERIALS INCOME	21,010.81	34,517.40	(13,506.59)
5500 MAGAZINE INCOME	17,514.00	16,239.00	1,275.00
5515 Classified Ad For VHD	280.00	125.00	155.00
5520 Classified ad for Web	155.00	55.00	100.00
5700 REGISTRY	177,397.00	131,820.00	45,577.00
6125 NSF Income	0.00	35.75	(35.75)
6350 Library Income	444.45	76.50	367.95
6500 Shipping and Handling	8,144.54	8,057.37	87.17
Sales	2.50		2.50
	\$	\$	
Total Revenue	840,854.49	740,326.38	100,528.11
Cost of Goods Sold			
7400 EDUCATIONAL MATERIAL EXPENSE	10,183.14	11,930.85	(1,747.71)
	\$	\$	
Total Cost of Goods Sold	10,183.14	11,930.85	(1,747.71)
	\$	\$	
Gross Profit	830,671.35	728,395.53	102,275.82
Expenditures			
7100 LIFE MEMBERSHIP EXPENSE	154.00	287.00	(133.00)
7300 ACTIVITY EXPENSE	21,482.45	21,197.40	285.05
7375 EVENT EXPENSES	77,416.83	71,363.63	6,053.20
7500 MAGAZINE EXPENSE	150,988.99	136,819.07	14,169.92
7700 REGISTRY EXPENSE	32,656.88	13,587.34	19,069.54
7726 Miscellaneous Expense	1,206.23	2,343.25	(1,137.02)
7800 Custom Software Development	14,511.25	12,577.50	1,933.75
7850 Website Development	12,714.40	4,554.40	8,160.00
8100 FINANCIAL	20,155.19	16,639.16	3,516.03
8200 COMMUNICATIONS	19,518.60	13,140.20	6,378.40
8300 Depreciation		369.00	(369.00)
8310 Dues and Subscriptions	158.71	409.00	(250.29)
8330 General Support	7,120.19	10,331.54	(3,211.35)
8335 Consulting	15,000.00		15,000.00

	Jan - Dec 2019	Jan - Dec 2018	Difference
8340 INSURANCE	11,468.00	9,680.00	1,788.00
8350 Library	306.00	36.00	270.00
8355 License and Fees	516.90	675.00	(158.10)
8360 Supplies	18,614.87	21,338.07	(2,723.20)
8400 Payroll	191,346.49	176,068.77	15,277.72
8410 Payroll Taxes	14,408.76	13,247.52	1,161.24
8500 Postage and Freight	33,810.08	30,170.66	3,639.42
8510 Printing - General	15,157.26	21,168.06	(6,010.80)
8550 RENTS	25,740.76	25,541.56	199.20
8600 Repairs and Maintenance	383.80	240.00	143.80
8610 Office Equipment	3,626.95		3,626.95
8620 Standard Software	120.00	219.00	(99.00)
8630 Tax and Accounting	10,586.96	6,378.81	4,208.15
	\$	\$	
Total Expenditures	699,170.55	608,381.94	90,788.61
	\$	\$	
Net Operating Revenue	131,500.80	120,013.59	11,487.21
Other Revenue			
9100 Non-Restricted Interest	476.61	764.00	(287.39)
9105 Restricted Interest	4,775.21	-258.19	5,033.40
9107 Restricted Cap Gains (Losses)	39,325.59	4,893.86	34,431.73
9110 Restricted FMV Adjustment	-21,126.94	-6,237.38	(14,889.56)
9130 Youth Dev Accrued Int/Div	5,644.74	5,512.59	132.15
9200 Temporary Restricted Fund		250.00	(250.00)
	\$	\$	
Total Other Revenue	29,095.21	4,924.88	24,170.33
	\$	\$	
Net Other Revenue	29,095.21	4,924.88	24,170.33
	\$	\$	
Net Revenue	160,596.01	124,938.47	35,657.54

North American Versatile Hunting Dog Association
Statement of Financial Position Comparison
As of January 1, 2020

	Budget		Change
	As of Jan 1, 2020	As of Jan 1, 2019 (PY)	
ASSETS			
Current Assets			
Bank Accounts			
1102 VB&T Checking Acct	229,762.40	367,176.74	-137,414.34
1107 VB&T Certificate of Deposit #2	100,473.67	100,473.67	0.00
1109 Petty Cash	200.00	200.00	0.00
	<u>\$</u>	<u>\$</u>	<u>-\$</u>
Total Bank Accounts	330,436.07	467,850.41	137,414.34
Other Current Assets			
1108 Vanguard Treasury-Reserve	250,000.00		250,000.00
1120 LIFE MEMBERSHIP FUND (deleted)	0.00	429,842.17	-429,842.17
1130 YOUTH DEVELOP FUND (R)	245,705.88	222,182.56	23,523.32
1140 LIFE MEMBERSHIP FUND (BR)	484,216.29		484,216.29
1400 EDUCATIONAL MATERIALS	6,691.05	3,676.03	3,015.02
1500 Undeposited Funds	0.00	416.17	-416.17
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Total Other Current Assets	986,613.22	656,116.93	330,496.29
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Total Current Assets	1,317,049.29	1,123,967.34	193,081.95
Other Assets			
1800 DEPOSITS	1,400.00	1,400.00	0.00
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Total Other Assets	1,400.00	1,400.00	0.00
	<u>\$</u>	<u>\$</u>	<u>\$</u>
TOTAL ASSETS	1,318,449.29	1,125,367.34	193,081.95
LIABILITIES AND EQUITY			
Liabilities			
Current Liabilities			
Other Current Liabilities			
2310 PAYROLL LIABILITIES	-10.69	-14.64	3.95
2325 IL Sales Tax Payable	39.52	53.47	-13.95
2510 Chapter Insurance Collected	19,765.03	10,264.93	9,500.10
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Total Other Current Liabilities	19,793.86	10,303.76	9,490.10
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Total Current Liabilities	19,793.86	10,303.76	9,490.10
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Total Liabilities	19,793.86	10,303.76	9,490.10

	As of Jan 1, 2020	As of Jan 1, 2019 (PY)	Change
Equity			
3800 Life Membership Fund Account	484,216.29	429,842.17	54,374.12
3810 Youth Development Fund Restrict	245,705.88	222,182.56	23,523.32
3815 Reserve Fund	250,000.00		250,000.00
3825 KRISTEN REISER HC FUND	1,255.00	1,600.00	-345.00
3901 Net Assets	317,478.26	463,047.40	-145,569.14
Net Revenue		-1,608.55	1,608.55
	\$	\$	\$
Total Equity	1,298,655.43	1,115,063.58	183,591.85
	\$	\$	\$
TOTAL LIABILITIES AND EQUITY	1,318,449.29	1,125,367.34	193,081.95